CALIFORNIA

Efficiency + Demand Management

COUNCIL

Advancing Our Clean Economy

Monthly Member Readout

April 7, 2023

REC

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Today's Agenda

Council News

- Spring Symposium: May 24 in LA!
- What's Coming Up
- Solicitations
- Capitol Update

Issues/Topics

- R.22-11-013 (DERs, Data, + Equipment) PHC
- CPUC 3P EE Stakeholder Meeting
- CEC IEPR Scoping Plan
- CPUC A.22-02-005: Natural Gas EE Incentive Phaseout +
- Federal Guidance: Clean Energy Provisions in IRA
- Cal TF Custom Request
- Quick Updates

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Spring Symposium: May 24 in LA!

Wednesday, May 24, 2023

In-person with Online Viewing Option

Westin at Los Angeles Airport, Los Angeles, CA

See 2023 Sponsor Prospectus here.

Agenda and time details coming soon!

The Spring Symposium is the Council's one-day professional education conference, focused on practical approaches that can be taken to more effectively deploy efficiency and demand management resources needed to combat climate change. Our guest speakers oftentimes inspire and inform us about the tools and tactics that hopefully lead to positive impacts for our future.

MORE INFORMATION HERE!

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What's Coming Up

- **4/11: CEC Public Hearing for Flexible Demand Appliance Standards related to Pool Controls**
  - 10:00 a.m. - 3:00 p.m. | Zoom; 1(888) 475-4499 | Webinar ID: 886 7897 8298 | Passcode: 401667
- **4/11: CEC Industrial Decarbonization and Improvements to Grid Operations Workshop**
  - 9:30 a.m. - 3:00 p.m. | Zoom; 1(888) 475-4499 | Webinar ID: 824 3779 9053 | Password: meeting@93
- **4/12: CEC California Energy Commission Climate Data and Analytics Working Group (C-DAWG)**
  - 10:30 a.m. - 12:00 p.m. | Zoom; 1(669) 219-2599 | Meeting ID: 878 9831 1406 | Passcode: c-dawg
- **4/13: CEC Jt. Workshop re: Interactive Map and Matchmaker Tool in Support of California's National Electric Vehicle Infrastructure Formula Program**
  - 10:30 a.m. - 12:00 p.m. | Zoom; 1(888) 475-4499 | Meeting ID: 861 4262 1303 | Passcode: 627259
- **4/18: GoGreen Financing Workshop for Contractors**
  - 8:00 a.m. - 8:45 a.m. | Zoom; (669) 900-6833 | Webinar ID: 873 8123 9981
- **4/18: CPUC Postseason Public Briefing on Utility 2022 Public Safety Power Shutoffs**
  - 9:00 a.m. - 4:00 p.m. | Live Webcast | 1-800-857-1917; Passcode: 1673482#
- **4/18: CEC: Staff Workshop on Food Production Investment Program**
  - 9:30 a.m. - 12:00 p.m. | Zoom; 1(888) 475-4499 | Webinar ID 874 1438 6693 | Passcode FPIP2023
- **4/19: CEC Lead Commissioner Workshop on SB 846 Preliminary Load Shift Goal**
  - 9:30 a.m. - 12:30 p.m. | Zoom; 1(888) 475-4499 | Webinar ID 898 0356 4005 | Passcode: 477529
- **4/19: CEC Carbon Removal Innovation Support Program Workshop**
  - 9:00 a.m. - 1:00 p.m. | Zoom; 1(888) 475-4499 | Webinar ID 885 7503 1679 | Passcode: meeting@9

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What's Coming Up (Cont)

- **4/21: PG&E Multifamily Energy Savings Program Webinar**
  - 11:00 a.m. to 12:00 p.m. | Microsoft Teams; 1(415) 906-0873 / Passcode: 310468530#
- **4/27: CEC Ctte for the Clean Transportation Program Investment Plan to discuss the 2023–2024 Investment Plan Update**
  - More information will eventually be posted here, currently a save the date only.
- **5/9 - 5/11: CEC Vehicle Interoperability Testing Symposium**
  - In person in Long Beach, CA, remote may be available.

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Open Solicitations

4/07/23: CEC RFP-22-805 SB 100 Technical Support due

Note: CEC is hosting a pre-bid conference March 6 10:00 a.m. - 12:00 p.m. Zoom; 888 475 4499 | Webinar ID: 832 5043 4746 | Password: 391164

4/10/23: SDG&E RFA for Interested Organizations due re: Residential Equity Education and Outreach Request for Abstracts

4/12/23: PG&E RFI #139747 due re: Concurrent Application System Pursuant to Senate Bill (SB) 1208 for Income-Qualified Program Offerings

4/14/23: MCE RFO re: 2023 Open Season due

4/20/23: SCG RFP (PDF download) anticipated release re: Innovative Design for Energy Efficiency Applications (IDEEA 365) Request for Proposal

5/01/23: CEC GFO-21-402 submissions due: CA Automated Permit Processing Program

5/12/23: SVCE & 3CE RFI due re: Battery Energy Storage Systems Bidding Optimization Software

5/26/23: CEC GFO-22-609, Responsive, Easy Charging Products with Dynamic Signals due

5/31/23: PG&E RFP due re: Zonal Equity Electrification Pilot Program Solicitation

9/01/23: SCE RFO due re: 2022 Catalina Island Clean Energy All-Source

- Note: The original submission date *was* May 1, 2023.

9/22/23: CEC GFO-20-305 - The Next EPIC Challenge

Ongoing: EE program 3P solicitation information and links found on the CAEECC Website

DOE: Funding Opportunity Exchange

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Capitol Update from the Council Lobbyists

Erin Niemela

Tiffany Phan

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R.22-11-013 (DERs, Data, + Equipment) PHC

- R.22-11-013 re: DER Program Cost-Effectiveness Issues, Data Access and Use, and Equipment Performance Standards is still in its early stages.
- OIR issued November 17, 2022
  - Phase 1:
    - Track 1: Cost-Effectiveness
    - Track 2: Expanding Data Use & Access
  - Phase 2: Equipment Performance Standards
- The Council's comments re: the OIR (submitted January 9, 2023) included:
  - Incorporate load shifting capability into DER cost-effectiveness considerations;
  - Not to develop cost-effectiveness methods for emerging technologies;
  - Incorporate all DERs into the Integrated Resource Plan ("IRP") process to the extent they are not included in the load forecast;
  - Establish a Data Working Group that is open to other State agencies;
  - Make no changes to the proposed timeline;
  - Address data quality, delivery time frames, and privacy protections to leverage underutilized functions of Smart Meter data;
  - Revisit rules that govern sharing of individual customer data which require customer approval for each entity with which data are shared;

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R.22-11-013 (DERs, Data, + Equipment) PHC (Cont.)

- Held a Pre-Hearing Conference on March 29, 2023
  - Transcript here
- Council's comments in PHC:
  - The ALJ proposed that there be two tracks in this proceeding: Track 1 will address how to improve the accuracy and consistency of cost-effectiveness assessments for DER programs and Track 2 will focus on improving data accessibility to facilitate DER adoption, better utilization and grid integration.
  - The Council recommended that the CPUC collect data on disadvantaged communities to assess the success and participation of customers in disadvantaged or ESJ communities and use this data to inform potential course corrections and marketing program design. This should be a priority in this proceeding.
  - The Council also recommended that data working groups be included in the scope of the proceeding.
  - There was also discussion of whether equity should be scoped into the tracks or be treated as a separate track.

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R.22-11-013 (DERs, Data, + Equipment) PHC (Cont.)

- General takeaways from other party comments:
  - Track 1
    - There should be consistency across this proceeding and the EE proceeding (R.13-11-005) and EE applications (A.22-02-005).
    - Integration with IRP planning should be included in Track 1 or 2 of this proceeding.
  - Equity Track
    - The ALJ asked how stakeholder concerns about equity should be incorporated into Track 1 or whether it should be a separate issue. The parties agreed that it was an important issue but differed on whether it should be its own track or not.
  - Track 2
    - The Council recommended that data working groups be held in Track 2
    - Most parties supported data access and felt that it was key to developing advanced rate designs, but some parties urged the CPUC to be cautious about the release of customer usage data that is not necessary for effective grid functioning.
- Side note: The ALJ issued a Ruling seeking comments re: Societal Cost Test and Air Quality Research Results, due April 28. The Council will soon schedule a meeting with interested Members to review and discuss position(s) and comments.

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CPUC 3P EE Stakeholder Meeting

- The Council was invited back to serve as a panel at the CPUC's March EE 3P Solicitations Stakeholder Semiannual meeting.
- A **big thank you** to Kim Rodriguez, Ying Wang, and James Dodenhoff!
  - Also - thank you to the Members who helped put together our perspectives and information shared at the meeting.
- IE semi-annual report:
  - Reviewed IOU contracts between April and September 2022,
  - Suggested improvements/effective practices that should be considered,
- IOU updates
  - Presented solicitations schedules, process improvements, and changes relative to the recent decision (D.23-02-002).
  - Walked through our questions

You can find all resources here.

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CPUC 3P EE Stakeholder Meeting (Cont.)

- Council panel discussion:
  - Continuing the discussion on process following unsuccessful bids,
  - Advancing supplier diversity goals, and
  - Continuing the discussion on performance assurance requirements and perceptions.
- Independent Evaluators
  - Facilitated by the CPUC
  - How spending specifications in contracts can help support SBEs and DBEs
  - Improved compensation opportunities
  - P4P could be transitioned to thoughtful pay for deliverables
- The Council intends to follow-up on many of these discussions over the coming months.

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CEC IEPR Scoping Plan

- The CEC has released their updated IEPR Scoping Plan following an initial draft release.
  - Council submitted comments, largely voicing support and putting forward to primary asks:
    - Coordinate across other agencies
    - Initiated considerations for what may be needed to update the load shifting targets as required by SB 846
- The Updated IEPR Scoping Plan incorporates both components of the Council's asks in our letter
- The Scoping Plan is scheduled to be taken up during next week's Business Meeting

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CPUC A.22-02-005: Natural Gas EE Incentive Phaseout +

The Council closely coordinated with its engaged Members to craft and submit substantial comments (opening and reply) regarding the PD on A.22-02-005. Key takeaways include:

- Supports extending the effective useful life of appropriate measure packages to 30 years when supported by evidence;
- Supports requiring program administrators to include a comprehensive strategy for promoting and deploying exempt measures in the equity segment;
- **Suggests returning the natural gas cost-effectiveness criteria to the portfolio level to mitigate against stranded savings;**
- **Expresses concerns regarding undue pressures to define viable electric alternatives ("VEAs") or establish policy before VEA is defined;**
- **Supports a process to thoroughly consider the viability of an electric alternative that includes the customer's perspective, infrastructure costs, and bill impacts;**
- **Suggests clarifying bill impacts will be assessed over short-, medium-, and long-term time horizons;**
- Suggests incorporating Distributional Equity Analyses in addition to benefit-cost analyses to capture a more holistic view of policy impacts;
- **Suggests incorporating market readiness as a factor in determining the viability of an electric alternative;**
- Suggests the Commission clarifies that the investor-owned utilities' ("IOU's") Codes and Standards non-advocacy programs should support transportation electrification and building decarbonization in addition to the advocacy programs; and
- Suggests eliminating the proposed 70% budget threshold for non-advocacy programs and instead review budget percentages and appropriateness through existing processes

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CPUC A.22-02-005: Natural Gas EE Incentive Phaseout +

- Just this week the CPUC issued an updated PD. Key takeaways include:
  - Removal of arbitrary date on submission of measure packages and other exempt measures in place of process (could be earlier or later than date, relieves undue pressure) [success]
  - In developing exempt measure strategies, PAs must evaluate barriers by customer type relating to implementation of exempt measures [neutral]
  - Clarification on application of new construction policies [general success]
  - Examine bill impact tools to inform development of bill impact calculator [general success]
  - Market study to address consumer choices if incentives for non-cost-effective and other gas efficiency measures are eliminated [success]
  - Incorporation of programs (advocacy and non) to support broader clean energy goals and ongoing support of clean energy goals under other agencies [success]

We are persuaded that examination into key questions relating to customer costs and benefits, which will inform development of the draft Technical Guidance Document, and customer decision-making in the absence of gas efficiency incentives, is necessary before determining further policies on ratepayer-funded incentives for gas efficiency measures.

Just yesterday (4/6) the CPUC voted and adopted the updated PD

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Federal Guidance: Clean Energy Provisions in IRA

Mid-March, the Assistant Secretary for Tax Policy, Lily Batelder, released information regarding upcoming efforts to implement clean energy provisions in the Inflation Reduction Act.

> *In the coming months, Treasury will issue guidance on the clean vehicle credit, the energy communities bonus, the domestic content bonus, direct pay and transferability, and the prevailing wage and apprenticeship standards required to receive full credits.*

Clean Vehicle Credit:

- Guidance was made public at the end of March, laying out requirements for EV components in order to receive credits.
  - Requires a growing "applicable" percentage of battery to be comprised of critical minerals extracted or processed in the US: (80% by 2027)
  - Requires a growing "applicable" percentage of battery components to be manufactured in the US (100% by 2029)
- Treasury also released a White Paper several months ago in anticipation of this guidance.

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Federal Guidance: Clean Energy Provisions in IRA (Cont.)

Investments to “Historical Energy Communities” or “Coal Communities”:

- On April 4, the US Department of Treasury released guidance regarding investments to historical energy communities or coal communities under the Inflation Reduction Act.
- Developers can receive a bonus of up to 10 percentage points on top of the Investment Tax Credit (ITC) and an increase of 10 percent for the Production Tax Credit (PTC).
- Bonus is available to ITC and PTC to developers for locating projects in these communities, particularly with closed coal mines/fired power plants.
  - Also available to areas with significant employment/local tax revenues from fossil fuels and higher than average unemployment
- IRA specifies brownfields
- UST and IRS have partnered with the Interagency Working Group on Energy Communities re: a searchable mapping tool.
- Applications for the first round of funding are planned to open by May 31, 2023.

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Federal Guidance: Clean Energy Provisions in IRA (Cont.)

Forthcoming:

- Guidance on the bonus re: projects where the steel, iron, or other manufactured products used are produced in the United States.
  - Domestic content bonus requirements
- Direct pay and transferability re:
  - novel credit delivery mechanisms—direct pay and transferability—that enhance the ability of companies and other organizations to take advantage of the clean energy tax credits.
- Prevailing wages and employing apprentices

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Cal TF Custom Request

- The California Technical Forum (Cal TF) is a collaborative of experts who use independent professional judgment and a transparent, technically robust process to review and issue technical information related to California's integrated demand side management portfolio.
- The Cal TF is looking towards substantial custom improvements, as outlined in their 2023 Business Plan:
  - 5A. Gather, organize, and prioritize existing custom guidelines, tools, and resources being used by POUs, IOUs, and implementers.
  - 5B. Finalize High-Level Custom Roadmap by 2023 Q2
  - 5C. Develop and implement statewide methods for at least three (3) custom measures
  - 5D. Update eTRM documentation (ongoing, as needed)
  - 5E. Implement select POU and statewide tools/calculators in the eTRM

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Cal TF Custom Request (Cont.)

- The Council has shared the Cal TF's draft workplan Custom Initiative which describes the scope, approach, and schedule for Cal TF's custom-related activities in 2023.
- The workplan is based on goals and metrics in the 2023 business plan. The workplan provides additional details and serves as an opportunity to give input on approach, sequencing, and participation/engagement.
- Next steps:
  - *April 5, Custom Subctte meeting*
  - **April 17** - EOD, comments due

You can access the workplan on Cal TF's SharePoint here (note, you may need to request access to the SharePoint file).

If you have any questions or need to connect, please reach out to Arlis Reynolds (arlis.renyolds@futee.biz).

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Quick Updates

- EE Business Plan processes
    - The ALJ issued a ruling that canceled previously scheduled briefs and held only comments and final comments in its place. Only one stakeholder submitted comments.
    - A PD is due sometime Q3 2023, it is possible that PD could come anytime between now (albeit unlikely) and September 2023.
        - Once a PD is issued, parties can file opening and reply comments
- The CEC scheduled then canceled a workshop regarding the Demand Side Grid Support Program (DSGS) for April 10. The CEC has reported they will reschedule the workshop (to review and receive comments) on proposed DSGS updated guidelines for later in April.

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Quick Updates (Cont.)

- The Council submitted the following filings since our last Monthly Member Readout:
  - April 6 – CPUC R.22-07-005 Council Opening Comments re: Proposed Decision Adopting Electric Rate Design Principles and Demand Flexibility Design Principles
  - April 3 – Congressional Energy Efficiency Strategy Group Letter of Support for Robust FY24 U.S. DOE Energy Efficiency-Related Funding
  - March 30 – A.22-05-002 et al. (DR Applications) Council Opening Comments on ALJ Ruling Questions 1A-1B
  - March 28 – A.22-02-005 Council Reply Comments re Proposed Decision Addressing Codes & Standards Subprograms and Budgets and Staff Proposal on Reducing Ratepayer-Funded Incentives for Gas Energy Efficiency Measures
  - March 23 – R.13011-005 Council Comments re: SCREN's Motion to Authorize Use of Unspent EE Funding for CAEECC Compensation Pilot
  - March 23 – R.21-10-002 (RA) Council and Leap Opening Comments on Proposed Decision
  - March 23 – A.22-02-005 Council Opening Comments re Proposed Decision Addressing Codes & Standards Subprograms and Budgets and Staff Proposal on Reducing Ratepayer-Funded Incentives for Gas Energy Efficiency Measures
  - March 17 – CEC Council Response to NOR for Comments on the Draft IEPR Scoping Order
  - March 8 – CPUC R.21-10-002 RA Joint Party Reply Comments re: Corrected Version of CEC Report
  - March 3 – DOE Energy Efficiency Strategy Group Home Energy Rebates RFI Response
- The Council submitted one testimony since our last Monthly Member Readout:
  - March 14 – Council Letter of Support re: SB 48 (Becker)

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Discussion & Q&A

Thank You!

Please contact us if you have any questions.

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Next Monthly Member Readout: April 7

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